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DIRECTORATE OF INTELLIGENCE

15 July 1985

<u>Indo-Pakistani Relations:</u> Soft-Pedaling Differences

SUMMARY

Tensions have eased slightly between India and Pakistan since Rajiv Gandhi succeeded his mother, but the differences on regional as well as bilateral issues continue to reflect enduring national security concerns. Indian fears center on Pakistan's nuclear weapons program, its acquisition of sophisticated conventional arms from the United States, and its alleged assistance to Sikh dissidents. Islamabad in turn believes that India's quest for regional dominance challenges its stability and even its survival. The two countries' visceral mistrust of each other is likely to impede significant rapprochement, at least in the near term.

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Relations between India and Pakistan have been more cordial under Rajiv Gandhi than under his mother. Rajiv and President Zia have already met twice-at Indira's funeral and again at Chernenko's--and their discussions, described by both sides as upbeat, have spurred efforts by each to ease

tensions:

-- Following <u>Zia's decision</u> earlier this year to <u>try the Sikh hijackers of two Indian airliners--welcomed</u> by Rajiv as a first step toward reducing

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strainsNew Delhi agreed to resume the bilateral talks that Indira broke off last summer.	
Rajiv's decision to shift the principal brief for Pakistani affairs from his mother's hardline adviser, G. Parthasarthy, to Foreign Secretary Bhandari, a former schoolmate of his Pakistani counterpart, will remove a significant irritant from the relationship. The replacement of India's abrasive Ambassador in Islamabad, whose tour has come to an end, also will help.	25 X 1
Since February the two countries have resumed intermittent talks between high-level as well as working level Foreign Ministry officials. Early this month high-level meetings of the Joint Commission were held in New Delhi. Established in 1982, the Joint Commission focuses on expanding bilateral trade, communications, tourism, and cultural exchanges. In addition, the two foreign secretaries have met several times at meetings of regional organizations, the Nonaligned Movement, and the United Nations. Later this month, senior Indian and Pakistani officials are scheduled to meet again to discuss a proposed nonaggression pact.	25X1
Abiding Mutual Mistrust	
New Delhi's doubts about Pakistani intentions remain the major obstacle to significant rapprochement:	
The <u>Pakistani nuclear program andto a lesser extentUS arms aid to Pakistan</u> remain stumbling blocks, and Rajiv's statements in public and in private suggest he is as worried about the former as Indira was.	
For Rajiv, as for his mother, <u>suspicion of Pakistani involvement with Sikh extremists</u> in Punjab is a major impediment to a breakthrough in bilateral relations.	25X1
Foreign Secretary Bhandari's comments to Under Secretary Ikle in early May probably were meant to remind Washington before Rajiv's visit that New Delhi views Zia's regime and its regional policies—including its security relationship with the United States and its stance on Afghanistan—as a threat to Indian interests. Bhandari said that:	
India was proceeding "step by step very cautiously" to "cool down the atmosphere" with Pakistan because Islamabad in the past has not shown a sustained commitment to improving relations.	
Afghan refugees in Pakistan are causing "great panic" and adding to the country's "volatility."	
New Delhi believes Islamabad's role in aiding the Afghan insurgency could provoke Soviet efforts to destabilize Pakistanto the detriment of India's interests.	
Pakistan's military might must be reduced to alleviate Kabul's fear that Islamabad would launch an attack if Soviet troops were to withdraw.	

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Even so, the shift in Rajiv's rhetoric on Pakistan while he was in Washingtonwhere his complaints about US arms sales to Islamabad focused on the diversion of India's economic resources caused by the arms race with Pakistan, not on questions about Pakistan's right to acquire armscould indicate new willingness to try a more conciliatory line.	25 X 1
Pakistan, for its part, still fears that India's desire for regional preeminence threatens Pakistan's survival. Islamabad fears Indo-Soviet collaboration to weaken Pakistan—a development we consider unlikely because of divergent Indian and Soviet equities in South Asia. Some Pakistanis know that New Delhi wants Pakistan intact as a buffer against Soviet—occupied Afghanistan, but many still worry that Moscow will somehow manipulate India to attack Pakistan:	
Pakistanis also are concerned that India might take advantage of tensions along the Pakistani-Afghan border to intimidate Pakistan or that India might launch a preemptive strike against Pakistan's nuclear facilities.	25X1
Slim Prospects for Improved Relations	
Islamabad continues to push for a bilateral nonaggression pactfirst proposed by Zia in 1981 in response to New Delhi's arguments that Pakistan's newly acquired US arms threatened India. New Delhi is parrying Pakistani initiatives by pushing for progress on trade and cultural exchanges until tensions have eased further. Many influential Indians believe the 1972 Simla Agreementin which Indira Gandhi and then-President Bhutto agreed to settle their countries' differences through bilateral talks, refrain from hostile propaganda, and avoid meddling in each other's countryis the most realistic basis for normalizing relations.	25X1
Still, New Delhi in our view wants to maintain at least the appearance of cooperation on a nonaggression pact in order to:	
Bolster its image of reasonableness and statesmanship as leader of the Nonaligned Movement.	
Remind Moscow that India is pursuing its own foreign policy line.	
Avoid complicating India's relations with the Gulf Arabs by appearing hostile to a Muslim state.	25X1
If the current dialogue does not again grind to a halt as a result of disagreements over the Sikhs or other contentious issues, the two sides will eventually have to wrestle with a deadlock for which no easy solution is in sight. In their 1982 counterproposal to Pakistan's nonaggression pact, the Indians insisted on conditions that, in Islamabad's view, impinge on Pakistan's sovereignty—such as asking Pakistan to forgo the right to take	
disputes to the United Nations and to commit itself never to allow foreign bases on its territory.	25X1

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